

NOTICE OF FILING AND PUBLIC HEARING

D.T.E. 04-80

August 30, 2004

Petition of Bay State Gas Company, pursuant to G.L. c. 164, § 14, for authorization and approval to issue long-term debt in the principal amount of up to \$120 million, and for exemption from the competitive bidding and advertising requirements of G.L. c. 164, § 15.

On August 19, 2004, Bay State Gas Company ("Company") filed with the Department of Telecommunications and Energy ("Department"), pursuant to G.L. c. 164, § 14, a petition for authorization and approval to issue and sell long-term unsecured promissory notes in an aggregate amount of up to \$120 million to its affiliate, NiSource Finance Corporation. According to the Company, up to \$110 million of the proceeds of the proposed financing will be used to pay down short-term debt and fund anticipated capital requirements, and the remainder will be used to refinance long-term debt that has matured or will mature by June 2005. The Company seeks to issue notes over an 18-month period following Department approval of the Company's proposed financing, and anticipates issuing up to \$90 million of the proposed financing by December 31, 2004. The Company also seeks an exemption from the competitive bidding and advertising requirements of G.L. c. 164, § 15.

The Department will conduct a public hearing to receive comments on the Company's petition, immediately followed by an evidentiary hearing. The hearings will take place on Tuesday, September 28, 2004, at 10:00 a.m. at the Department's offices, One South Station, 2nd Floor, Boston, MA 02110. Any person who desires to comment may do so at the public hearing or submit written comments to the Department not later than the close of business (5:00 p.m.) on September 28, 2004.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department not later than the close of business (5:00 p.m.) on Friday, September 24, 2004. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03, including a description of the manner in which the petitioner is substantially and specifically affected by this

proceeding. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A late-filed petition may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

An original and four (4) copies of all written comments or petitions to intervene must be filed with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, 2nd Floor, Boston, MA 02110. One copy of all written comments and petitions to intervene should also be sent to counsel for the Company, James H. Keshian, Senior Attorney, Bay State Gas Company, 300 Friberg Parkway, Westborough, MA 01581.

Participants should submit all filings to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us; or (2) on a 3.5" disk, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 04-80), (2) the name of the person or company submitting the filing, and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Corel Word Perfect (naming the document with a ".wpd" suffix), in Microsoft Word (naming the document with a ".doc" suffix) or as an Adobe PDF file (naming the document with a ".pdf" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. All filings submitted in electronic format will be posted on the Department's Web site: <http://www.mass.gov/dpu>.

A copy of the Company's petition is available for inspection Monday through Friday, between the hours of 9:00 a.m. and 5:00 p.m., at the Department's offices at One South Station, 2nd Floor, Boston, MA, and at the offices of the Company, 300 Friberg Parkway, Westborough, MA 01581. A copy of the Company's petition is also available on the Department's Web site <http://www.mass.gov/dpu>.

ORDER OF NOTICE

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Bay State Gas ("Company") shall, no later than fourteen (14) days prior to Tuesday, September 28, 2004 publish the attached notice of filing and public hearing in the Springfield Union News, the Brockton Enterprise, the Lawrence Eagle Tribune, and either the Boston Globe or Boston Herald. The Company is required to make return of service and proof of publication at the time of the public hearing on September 28, 2004.

By Order of the Department,

_____/s/_____
Mary L. Cottrell, Secretary